

**GOVERNMENT OF INDIA
MINISTRY OF HOUSING AND URBAN AFFAIRS**

**RAJYA SABHA
UNSTARRED QUESTION NO. 2472**

TO BE ANSWERED ON AUGUST 08, 2022

CONTROL ON COST OF INPUTS FOR REAL ESTATE INDUSTRY

NO. 2472. SHRI SANJEEV ARORA:

Will the Minister of HOUSING AND URBAN AFFAIRS be pleased to state:

the steps being taken by Government to control input costs for construction especially for affordable housing under PMAY(U)?

ANSWER

**THE MINISTER OF STATE IN THE
MINISTRY OF HOUSING AND URBAN AFFAIRS**

(SHRI KAUSHAL KISHORE)

Central Government has taken measures to control the rising prices of construction materials of affordable housing including Pradhan Mantri Awas Yojana- Urban (PMAY-U). In Union Budget 2021-22 and 2022-23, Customs Duty has been reduced uniformly to 7.5% on Semis, Flat and Long products of non-alloy, alloy and stainless steels. Export duty on iron ores/concentrates and iron ore pellets has been raised to 50% and 45% respectively. In addition, 15% export duty has been imposed on pig iron and several steel products. Moreover, to give relief to secondary and MSME sector steel industry engaged in housing/construction sector, TMT bars below 8 mm have been exempted from the purview of the Quality Control Order, as these are primarily used for non-critical applications. Government has also taken steps to increase availability of iron and steel which, inter-alia, includes Mining and Mineral Policy reforms to ensure enhanced production and availability of iron ore.

Moreover, Central Government has been taking various initiatives to control construction costs of affordable housing projects including PMAY-U such as- reduction in Goods and Service Tax (GST) on under-construction Affordable Housing projects from existing 8% to 1% without Input Tax Credit (ITC) and in case of other housing projects, 5% from existing 12% without ITC, increase in Priority Sector Lending for Affordable Housing Project from Rs. 28 lakh to Rs. 35 lakh in metros and from Rs. 20 lakh to Rs. 25 lakh in non-metros; Setup of Affordable Housing Fund in National Housing Bank.